

"Gateway to Oakland County"

CITY OF HAZEL PARK

MUNICIPAL OFFICES

111 East Nine Mile Road • Hazel Park, Michigan 48030

April 25, 2012

Hon. Joe Hune, Chairman
Agriculture Committee
Michigan State Senate
State Capitol
Lansing, MI

Re: City of Hazel Park Supports SB 1075

Dear Senator Hune and Agriculture Committee Members:

Please be advised that the Hazel Park City Council unanimously passed a resolution in support of SB 1075 on Tuesday, April 24, 2012. As the members of Senate Agriculture Committee know full well, Michigan's horse racing industry has suffered greatly in the last decade. Unless corrective measures are taken, this important Michigan industry may not survive.

Horse racing is important to the City of Hazel Park because, over 60 years ago, the State of Michigan enticed the city to accept a horse race track within its borders with the promise that Hazel Park would benefit financially from the raceway. Newspaper accounts from the period indicate that other communities were very resistant to the idea of a race track locating within their borders. An agreement was struck to provide that the City of Hazel Park would receive a small share of the proceeds, specifically the breakage monies, to compensate the city for the inconvenience and expense of serving the raceway and its patrons. Realizing that the raceway would take up approximately 10% of our city's geographic area, those breakage revenues were an important consideration for Hazel Park's city leaders in the 1940s when the issue was decided.

During the 1950's, the City of Hazel Park received approximately half a million dollars a year in breakage monies from the Hazel Park Raceway. Not only have those revenues failed to keep up with inflation, they have actually declined in terms of real dollars, with Hazel Park now projected to receive only about \$300,000 in breakage revenue this year. That is down from a high of over \$900,000 in 1999, just prior to the expansion in gaming options in Michigan. It should be noted that if the Hazel Park Raceway had continued to produce revenue for the city at the same rate it did in the 1950's, adjusted for inflation, Hazel Park would be receiving over 3.5 million dollars a year!

Police Dept. 248-542-6161
Fire Dept. 248-542-6000
City Attorney 248-546-3379
Water Dept. 248-546-4076

City Clerk 248-546-4064
District Court 248-547-3034
Dept. of Public Works ... 248-542-0340
Building Department 248-546-4075
City Manager 248-546-4060

City Council 248-546-4060
Treasurer 248-546-4062
Finance Dept. 248-546-4066
Planning/Econ. Dev. 248-546-4072
Recreation Dept. 248-547-5535

Assessor 248-546-4070
Library 248-542-0940
Youth Assistance 248-546-4077
Code Enforcement 248-546-4074
Viking Ice Arena 248-546-5700



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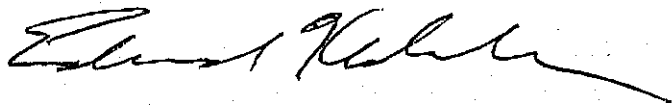
By virtue of my city's small size and the Raceway's comparatively large size, a symbiotic relationship exists between the two entities. Our future was inexorably bound to the raceway's more than 60 years ago. While many cities across Michigan are struggling financially due to the housing crisis, Hazel Park has been hit with a double whammy due to the decline in Michigan's horse racing industry. During the past ten years, our city employees have repeatedly given contract concessions, and in the past five years, our residents have passed two large millage increases. Even with these sacrifices, we are facing a substantial budget deficit in the coming fiscal year.

In addition to being an outstanding corporate citizen that supports many worthy causes in the community, the Hazel Park Raceway is Hazel Park's largest taxpayer and largest private sector employer. If the Hazel Park Raceway were to close its doors, it would be very difficult, if not impossible for the City of Hazel Park to survive.

Michigan's horse racing industry employs thousands of people and generates millions of dollars in revenue. Please give favorable consideration to SB 1075, which will not only give Michigan's struggling horse racing industry a fighting chance for survival, but give the City of Hazel Park a fighting chance for survival as well.

Thank you for your time and attention. If you require any additional information, please contact me immediately.

Sincerely,



Edward Klobucher
City Manager
City of Hazel Park